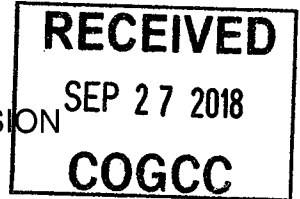


BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO



IN THE MATTER OF AN **AMENDED**)
APPLICATION BY VERDAD RESOURCES, LLC)
FOR AN ORDER TO ESTABLISH AN)
APPROXIMATE 640-ACRE DRILLING AND)
SPACING UNIT AND APPROVE 16)
HORIZONTAL WELLS WITHIN THE UNIT FOR)
THE DRILLING OF WELLS AND PRODUCING)
OF OIL, GAS, AND ASSOCIATED)
HYDROCARBONS FROM THE NIOBRARA,)
FORT HAYS, CODELL, AND CARLILE)
FORMATIONS FOR SECTION 26, TOWNSHIP 8)
NORTH, RANGE 61 WEST, 6TH P.M.,)
UNNAMED FIELD, WELD COUNTY,)
COLORADO)

Cause No. 535

Docket No. 180900662

Type: SPACING

AMENDED APPLICATION

Verdad Resources, LLC ("Applicant" or "Verdad"), Operator No. 10651, by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order vacating an approximate 960-acre drilling and spacing unit established by Order No. 535-528 for all of Section 26 and the N½ of Section 35, Township 8 North, Range 61 West, 6th P.M., and establishing an approximate 640-acre drilling and spacing unit for Section 26, Township 8 North, Range 61 West, 6th P.M. and approving up to sixteen horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations. In support of its **Amended** Application, Applicant states as follows:

1. Applicant is a limited liability company duly authorized to conduct business in Colorado.
2. Applicant, owns leasehold interests and/or the right to drill, and is an Owner as defined by Commission rules, in the following lands ("Application Lands"):

Township 8 North, Range 61 West, 6th P.M.
Section 26: All

A reference map of the Application Lands is attached as Exhibit B hereto.

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply.

4. On August 12, 2010, the Commission entered Order No. 535-1, which established four approximate 640-acre drilling and spacing units for certain lands in Townships 8 and 9 North, Ranges 60, 61, and 62 West, 6th P.M., and approved up to two horizontal wells in each unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the initial formation penetration, lateral leg, and terminus (bottomhole location) of the permitted wells within the unit to be located no closer than 600 feet from the unit boundaries and the initial formation penetration, lateral leg, and terminus (bottomhole location) of the second permitted well no closer than 1,200 feet from the first well.

5. On May 24, 2011, the Commission approved one Form 2 Application for Permit-to-Drill the Orlando Hill 26-44-8-61 Well (API No. 05-123-33558). The Orlando Hill 26-44-8-61 Well was spud and was subsequently completed to the Niobrara Formation. The Orlando Hill 26-44-8-61 Well continues to produce oil, gas, and associated hydrocarbons from the Niobrara Formation. Applicant is the operator of the Orlando Hill 26-44-8-61 Well, and requests that the Orlando Hill 26-44-8-61 Well continue to be operated, and proceeds continue to be distributed, in accordance with its applicable Commission Rules and Orders.

6. On January 7, 2013, the Commission entered Order No. 535-238, which approved up to six horizontal wells within each of ten approximate 640-acre drilling and spacing units established for certain lands in Townships 7, 8, and 9 North, Ranges 58, 60, 61, and 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore located no closer than 600 feet from the unit boundaries and no closer than 600 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director.

7. On September 15, 2014, the Commission entered Order No. 535-528, which, among other things, vacated an approximate 640-acre drilling and spacing unit established by Order No. 535-1 for Section 26, Township 8 North, Range 61 West, 6th P.M., vacated Order No. 535-238 as it applied to Section 26, Township 8 North, Range 61 West, 6th P.M., and established an approximate 960-acre drilling and spacing unit for all of Section 26 and the N½ of Section 35, Township 8 North, Range 61 West, 6th P.M., and approved a total of up to 16 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the productive interval of the wellbore located no closer than 300 feet from the unit boundaries, and no closer than 300 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director. Applicant further agreed to maintain payment of the Orlando Hill 26-44-8-61 Well on a 640-acre basis. The Application Lands are subject to this order for the Niobrara Formation.

8. No horizontal wells have been drilled or permitted pursuant to Order No. 535-528.

9. To promote efficient drainage, and to prevent waste, Applicant requests that the Commission vacate an approximate 960-acre drilling and spacing unit established by Order No. 535-528 for all of Section 26 and the N½ of Section 35, Township 8 North, Range 61 West, 6th P.M., and establish an approximate 640-acre drilling and spacing unit for the below-described Application Lands, and approve up to sixteen (16) horizontal wells within the unit, for the

production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations ~~with well location rules such that the treated interval of each wellbore within the unit shall be located no closer than 300 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located within the unit, unless an exception is granted by the Director:~~

Township 8 North, Range 61 West, 6th P.M.
Section 26: All

10. **Applicant requests that the treated interval of each wellbore within the unit be located no closer than 300 feet from the northern and southern unit boundaries, no closer than 150 feet from the eastern and western unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located within the unit, unless an exception is granted by the Director. With respect to the Orlando Hill 26-44-8-61 Well, Applicant is the Operator of this well, and intends to seek setback waivers for the wells drilled within the proposed unit.**

11. **Applicant intends to drill the wells within the unit in a west-east orientation.**

12. Applicant requests authority to drill those wells necessary to determine the appropriate well density that allows for the most economic and efficient drainage of the Niobrara, Fort Hays, Codell, and Carlile Formations, that prevents waste, that protects correlative rights, and that assures the greatest ultimate recovery of oil, gas and associated hydrocarbons from the Application Lands.

13. The proposed drilling and spacing unit is not smaller than the maximum area that can be drained by the proposed wells within the unit, and will have no adverse effect on correlative rights of adjacent owners.

14. Applicant requests that the permitted wells within the unit may be drilled and operated from up to three surface locations within the unit, or at legal locations on adjacent lands, unless an exception is granted by the Director.

15. **The target formations for horizontal development consist of the respective benches of the Niobrara Formation and the Codell Formation. However, to account for the relative thickness of the Codell Formation in this area, Applicant has requests that the Fort Hays Formation and Carlile Formation be included within the established unit.**

16. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of the original Application ~~shall be~~ **were** served on each interested party as required by Rule 503.e. Rule 507.b.(1), and Rule 507.c. **Applicant further certifies that all interested parties will be mailed notice of this Amended Application at least 35 days ahead of the hearing.**

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that, upon such hearing, this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this 24th day of September, 2018.

Respectfully submitted,
WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 

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Geoffrey W. Storm
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Dallas, TX 75235
Attn: Lemar Safi
Phone: 214-838-2758

VERIFICATION

STATE OF TEXAS

(

) SS.

CITY & COUNTY OF DALLAS

)

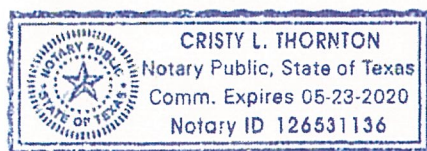
Lemar Safi, Landman for Verdad Resources, LLC, upon oath deposes and says that he has read the foregoing Amended Application and that the statements contained therein are true to the best of his knowledge, information and belief.

VERDAD RESOURCES, LLC

Lemar Safi
Landman

Subscribed and sworn to before me this 24th day of September 2018 by Lemar Safi,
Landman for Verdad Resources, LLC.

Witness my hand and official seal.



Notary Public

My Commission Expires: 5-23-2020

EXHIBIT A

PARTIES ENTITLED TO NOTICE UNDER RULE 507.c.

Weld County

Jason Maxey
Weld County
Department of Planning Services
1555 North 17th Ave.
Greeley CO 80631

Colorado Department of Public Health and Environment

Attn: Oil and Gas Liaison
4300 Cherry Creek Dr. South
Denver, CO 80246-1530

Colorado Division of Wildlife

Northeast Region Office
6060 Broadway
Denver, CO 80216

EXHIBIT A

INTERESTED PARTIES

Oil India (USA) Inc.
IOCL (USA) inc.
Haimo Oil & Gas LLC
Lance A. Julander
Noble Energy Wyco LLC
Bison Oil & Gas II, LLC
Wesco Operating, Inc.
Horizon Resources II, LLC
DPOC, LLC
Noble Energy Inc
Danny Paul Hart
Apollo Operating, LLC

Exhibit B - Application Lands

